

CLIMATE AND ENVIRONMENT RISK ASSESSMENT (CERA)

A tool to assess climate change risks and opportunities in agri food value chains

Value chain actors facing increasing climate related risks

Climate change presents increasing risks to the production and trade in food and forest products.

Investors are pushing for increased disclosure of these risks in order to maintain long term value performance of companies. Understanding risks will also inform policy makers on strategies to build climate resilience in trade.

Farmers and agribusinesses along the value chain face hazards from climate change including rising temperatures and extreme weather events. These result in physical risks to their business competitiveness and livelihoods.

Climate change regulations to reduce GHG emissions will also impact suppliers in developing countries. New technologies will also emerge and consumer preferences shift. These changes present transitional risks for agribusiness as well as business opportunities in new markets for environmental goods and services.

Climate related opportunities are also growing

Despite the high costs of adapting to climate change, there are emerging market opportunities for climate change related goods and services as regulations and consumer preferences change in response to the climate crisis. Examples include adaptation goods and services that manage adaptation risks in the value chain, resource efficiency services and circular economy innovations.

How does the tool work?

CERA maps out the climate-related risks and opportunities through a literature review, analysis of trade and environment data and key informant interviews with agribusiness, farm organizations and policy makers.



The analysis is structured at three stages of the value chain, Inputs, Production and Processing. It provides a summary overview, detailed analysis of Physical and Transitional Risks and emerging Opportunities in the environmental marketplace.

CERA rates the level of risk and proposes priority actions to mitigate these risks. It shows the direction of financial impact of these risks and opportunities on agri-business and smallholder livelihoods. The analysis is aligned with the Task Force on Climate Disclosure (TCFD) methodology.

Benefits for the user

- 1 **Understanding of the climate related risks and their financial impacts on SMEs and farmers.**
- 2 **Pathways for policy makers build business resilience to climate change.**
- 3 **Overview of emerging climate-related opportunities for exporters of agriculture and forest products.**
- 4 **Menu of priority climate mainstreaming actions for project managers planning Aid for Trade projects.**

FOR FURTHER DETAILS:

Alexander Kasterine, Senior Advisor,
Sustainable and Inclusive Value Chains Section
Division for Enterprises and Institutions
International Trade Centre (UNCTAD/WTO)
kasterine@intracen.org